GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2576
ANSWERED ON:16.03.2007
PRIVATE BANKS
Krishnadas Shri N.N.

Will the Minister of FINANCE be pleased to state:

(a) whether certain private sector banks have increased their loan interest rates recently;

(b) if so, the details thereof;

(c) whether any mechanism is available to control the functioning of private banks in the country; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Yes , Sir. As reported by the Reserve Bank of India (RBI) details of the Benchmark Prime Lending Rates (BPLR) of some private sector banks are as under:-

Name of the bank	BPLR Previous	BPLR Current	Effective date
Federal Bank Ltd.	12.50	13.25	20.2.2007
ICICI Bank Ltd.	13.75	14.75	09.02.2007
HDFC bank Ltd.	13.00	14.00	10.02.2007
Kotak Mahindra Bank	15.00	16.00	07.02.2007
UTI Bank Ltd.	13.50	14.00	06.02.2007
Centurion BankofPunjab	13.50	14.50	01.03.2007

(c) & (d) : The banks, including private sector banks, are regulated by the Reserve Bank of India (RBI) under the provisions of the Reserve Bank of India Act, 1934 and the Banking Regulation Act, 1949. To ensure smooth and efficient functioning of banking sector, RBI has prescribed measures/guidelines for strengthening of prudential supervision viz. provisioning and classification norms for non-performing assets (NPAs), capital adequacy norms, guidelines to improve customer service, establishment of Banking Ombudsmen as also Banking Codes and Standards Board of India (BCSBI), guidelines on transparency in banks` charges, etc. Management of each bank is required to ensure compliance with RBI regulations. Further, the private sector banks are supervised through a process of on-site and off-site supervision and monitored to ensure adherence to the various regulations prescribed by RBI, besides a follow up mechanism subsequent to on-site inspections.